

## Message Text

UNCLASSIFIED

PAGE 01 STOCKH 01108 141416Z  
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-07 LAB-04  
NSAE-00 SIL-01 TRSE-00 DODE-00 PM-04 H-02 L-03 NSC-05  
PA-02 PRS-01 SP-02 SS-15 USIA-15 /082 W  
-----141441Z 023833 /45

R 141305Z MAR 77  
FM AMEMBASSY STOCKHOLM  
TO SECSTATE WASHDC 0037  
INFO AMEMBASSY BONN  
AMEMBASSY COPENHAGEN  
AMEMBASSY HELSINKI  
AMEMBASSY LONDON  
AMEMBASSY OSLO  
AMCONSUL GOTEBOG

UNCLAS STOCKHOLM 1108

E.O. 11652: N/A  
TAGS: ELAB, SW  
SUBJECT: DEADLOCK IN LABOR CONTRACT NEGOTIATIONS

REF: STOCKHOLM 801

1. SUMMARY: LATE ON NIGHT OF MARCH 9 LABOR NEGOTIATORS  
FORMALLY DECLARED A BREAKDOWN IN NATIONWIDE CONTRACT TALKS  
COVERING 1.3 MILLION WORKERS IN PRIVATE INDUSTRY. IN ACCORD-  
ANCE WITH ESTABLISHED PROCEDURES, LABOR MINISTER PER AHL-  
MARK HAS SINCE APPOINTED A MEDIATING COMMISSION CONSISTING  
OF HARJE STENBERG, CHIEF JUSTICE OF APPEALS, AND BERTIL  
REHNBERG, DIRECTOR GENERAL OF THE NATIONAL LABOR MARKET  
BOARD. WHILE CLOSELY RELATED, PAY ISSUE HAS BECOME SECONDARY  
TO EMPLOYER INSISTENCE ON SPECIFIC MEASURES TO INCREASE PRO-  
DUCTIVITY AND ON FINDING A FORMULA WHEREBY CODETERMINATION CAN  
BE DISCUSSED WITHOUT HASTE AND FREE OF STRIKE PRESSURE.  
END SUMMARY.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STOCKH 01108 141416Z

2. NEGOTIATIONS REACHED IMPASSE AFTER SWEDISH EMPLOYERS CON-  
FEDERATION (SAF) REFUSED TO CONSIDER ANY PAY RAISES UNLESS LO  
AND PTK WOULD GO ALONG WITH ALLIED MEASURES TO BOOST  
PRODUCTIVITY PRIMARILY INVOLVING (1) STRICTER RULES  
GOVERNING SICK BENEFITS AND (2) A SYSTEM WHEREBY  
WORKING HOURS WOULD BE ADJUSTED TO THE PREVAILING  
BUSINESS SITUATION WITH A 36-HOUR WEEK IN RECESSIONAL

PERIODS AND A 44-HOUR WEEK IN TIMES OF FULL DEMAND.

3. SWEDISH EMPLOYERS HAVE BEEN PARTICULARLY UNHAPPY ABOUT EXTREMELY HIGH RATE OF ABSENTEEISM FOR SHORT PERIODS (1 TO 2 DAYS) WHICH IS MOST DISRUPTIVE OF PRODUCTION SCHEDULES. THE SICKNESS INSURANCE SYSTEM PAYS 90 PERCENT OF EARNED INCOME AND BENEFITS BEGIN ON DAY FOLLOWING NOTIFICATION OF ILLNESS. EMPLOYERS ALLEGE THAT IT IS COMMON PRACTICE AMONG WORKERS TO PHONE INSURANCE OFFICE NEAR CLOSING HOUR OF DAY THEY ARE AT WORK TO REPORT THEY WILL BE OUT SICK ON FOLLOWING DAY SO THAT ONLY MINIMAL LOSS OF INCOME RESULTS FROM 1 DAY OF SICK LEAVE. THEY ARE PROPOSING THEREFORE THAT INSURANCE REGULATIONS BE AMENDED SO THAT BENEFITS BEGIN ON SECOND FULL DAY OF ABSENCE.

4. BEFORE BREAKDOWN SAF HAD TABLED A PROPOSAL TO ADJOURN WAGE BARGAINING AND EXTEND CURRENT COLLECTIVE AGREEMENT UNTIL SEPTEMBER 1 TO GIVE PARTIES TIME TO DISCUSS SAF'S SICKNESS INSURANCE AND WORKING HOURS PLAN. LO PRESIDENT GUNNAR NILSSON DISMISSED THIS IDEA AS PREPOSTEROUS. UNION NEGOTIATORS HAVE ALL ALONG BEEN IMMOVABLE IN REFUSING THESE SAF DEMANDS. THEY ARGUE THAT THESE WOULD REQUIRE CHANGES IN THE LAW (WHICH IS TRUE) AND ARE THEREFORE OUTSIDE THE SCOPE OF COLLECTIVE BARGAINING. MORE FUNDAMENTAL, TO CONCUR WOULD MEAN A ROLLBACK IN SOCIAL LEGISLATION NO MATTER HOW MINOR, WHICH UNIONS FIND PHILOSOPHICALLY REPUGNANT.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STOCKH 01108 141416Z

5. TWO SIDES SOUGHT WAY OUT OF PROBLEM BY DUMPING IT IN AHLMARK'S LAP. LO/PTK URGED HIM TO EXCLUDE PRODUCTIVITY ISSUE FROM SPHERE OF MEDIATION WHILE SAF INSISTED THAT ALL ISSUES WERE INTERTWINED AND HAD TO BE CONSIDERED TOGETHER. IT PROVED EASY, HOWEVER, FOR AHLMARK TO SIDESTEP A CHOICE BY FOLLOWING CUSTOMARY PRACTICE WHICH IS NOT TO GIVE MEDIATORS ANY DIRECTIVES AT ALL. MEDIATORS ARE SCHEDULED TO ENTER STALLED TALKS EARLY THIS WEEK.

6. NEGOTIATIONS ARE FURTHER BEDEVILLED BY PROBLEM OF CODETERMINATION. NEW INDUSTRIAL RELATIONS ACT GIVES UNIONS SO-CALLED "LINGERING STRIKE RIGHT" TO ENFORCE CODETERMINATION DEMANDS AFTER PAY AGREEMENT IS CONCLUDED. TO MEET THIS THREAT, EMPLOYERS HAVE INSISTED EITHER THAT BOTH AGREEMENTS BE SIGNED SIMULTANEOUSLY OR THAT UNIONS ACCEPT PLEDGE NOT TO STRIKE WHILE SEPARATE TALKS ON CODETERMINATION CONTINUE. WITH REGARD TO LATTER, UNIONS HAVE DECLARED THEMSELVES UNWILLING TO SURRENDER AN IMPORTANT ADVANTAGE ESTABLISHED BY LAW.

7. COMMENT: NEGOTIATIONS ARE NOW FOUR MONTHS OLD AND HAVE PRODUCED NO VISIBLE SIGN OF PROGRESS ON ANY OF THE PRINCIPAL ISSUES. POSSIBLE Footholds FOR THE MEDIATING PROCESS ARE HARD TO FIND AND IT PROMISES TO BE AN EXTRA-ORDINARILY COMPLICATED AND TIME-CONSUMING EFFORT. WHAT HAPPENDS IF IT FAILS IS ENTIRELY UNCLEAR AT THIS MOMENT. EMERGENCY LEGISLATION IS ALWAYS A POSSIBILITY BUT ONE WHICH ALL PARTIES CONCERNED, INCLUDING THE GOVERNMENT WOULD FIND HIGHLY UNPALATABLE.

SMITH

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** REPORTS, LABOR UNIONS, NEGOTIATIONS, CONTRACTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 14-Mar-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01-Jan-1960 12:00:00 am  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STOCKH01108  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770087-0066  
**Format:** TEL  
**From:** STOCKHOLM  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770361/aaaacbuvtel  
**Line Count:** 127  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** f6417bb8-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 STOCKHOLM 801  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 04-Oct-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3113823  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** DEADLOCK IN LABOR CONTRACT NEGOTIATIONS  
**TAGS:** ELAB, SW  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odhc://SAS/SAS.dbo.SAS\_Docs/f6417bb8-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009